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Submitted to Your Vision, Our Future
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About You

1 What is your name?

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3 I am responding as:

A representative of an organisation

4 If you are responding on behalf of an organisation, please enter your organisation name here:

Organisation:
Apartment Owners' Network

Chapter 1 - General Questions

1 What elements of the taxation and welfare systems do you feel are working well?

Please elaborate below::

2 What elements of the taxation and welfare systems do you feel are not working well?

Please elaborate below::

3 Good quality public services, welfare provision and infrastructure are financed mainly from taxation and PRSI. What are the features that you think our taxation and welfare systems should have in order to meet these needs?

Please specify::

4 In your view, what main reforms are necessary so that the Irish taxation and welfare systems can embrace the opportunities and meet the challenges that Ireland may face over the next 10-15 years?

Please outline your views::

Chapter 4 - Climate

1 As Ireland moves to a low carbon economy, what should be the role of the taxation and welfare system in:

- a) taking advantage of opportunities? :
- b) mitigating the risks? :
- c) in meeting Ireland's emissions targets?:

2 Are there existing taxation and welfare measures that are counter-productive to Ireland's climate change commitments?

Not Answered

If yes, please specify::

To what extent are these justified in the Irish context and are any reforms necessary?:

3 What changes should be made to the taxation system to ensure longer term fiscal sustainability given the expected impact of the continued decarbonisation of the Irish economy, in particular the impact of reducing tax revenues from energy, carbon and motor taxes?

Please detail the changes::

Please refer to the content of our organisation's recent public policy submissions, sent to the Secretariat by email to consultation@cotw.gov.ie.

Chapter 5 - Housing

1 Taking into account previous taxation related interventions in the housing market, what role do you think the taxation and welfare systems have to play in contributing to the long-term supply of housing?

Please outline your views::

Please refer to the content of our organisation's recent public policy submissions, including our pre-Budget 2022 submission, sent to the Secretariat by email to consultation@cotw.gov.ie.

2 Should the taxation system have a role in supporting or promoting any specific form of housing tenure (e.g. home ownership, rental), or should it remain neutral?

Not Answered

Please elaborate further::

3 What in your view is the role that taxation should play in housing affordability?

Please outline your views::

4 Following the introduction and recent amendments to the Local Property Tax (LPT) and the commitment in Housing for All to introduce a new taxation measure to activate vacant land for residential purposes, do you consider there is a role for a Site Value Tax in Ireland?

Not Answered

Please elaborate further::

Chapter 6 - Supporting Economic Activity

1 How can Ireland maintain a clear, competitive, sustainable, and stable taxation policy with regard to its attractiveness to Foreign Direct Investment (FDI) in light of the rapidly changing global environment?

Please outline your views::

2 How can the taxation environment support indigenous enterprise, particularly small and medium sized enterprises (SMEs) to be productive, to innovate and be competitive internationally?

Please specify::

Please refer to the content of our organisation's recent public policy submissions, including our pre-Budget 2022 submission, sent to the Secretariat by email to consultation@cotw.gov.ie.

3 With regard to starting, scaling or growing a business in Ireland:

a) what features of the current taxation system work well?:

b) what features do not work well and how can these be improved?:

Chapter 7 - Tax Expenditures

1 How do you think the process of reviewing taxation measures and taxation expenditures is currently functioning?

Please outline your views::

How well defined do you think the benchmark taxation system is in Ireland?:

2 How do you think the process of taxation expenditure review could be improved?

Please specify::

3 Please give examples of taxation expenditures that you believe run counter to public policy/are badly designed?

Please specify::

Please explain your rationale? :

4 Please provide examples of taxation expenditures that you believe work well, either in Ireland or internationally?

Please specify::

Chapter 10 - Submit Your Ideas

1 Taking into account the Terms of Reference, submit any other thoughts, ideas or feedback on taxation and welfare in Ireland:

Please outline your views::

Please refer to the content of our organisation's recent public policy submissions, including our pre-Budget 2022 submission, sent to the Secretariat by email to consultation@cotw.gov.ie.



BY EMAIL:

consultation@cotw.gov.ie
Commission on Taxation and Welfare Secretariat
Department of Finance
Government Buildings
Upper Merrion Street
Dublin 2
D02 R583

27 December 2021

Dear Secretary,

Re: Commission on Taxation and Welfare – submission

As noted in our response to the public consultation, provided today via the Commission's online portal, enclosed are copies of the following recent public policy submissions of the Apartment Owners' Network:

State Agency	Consultation Subject
Department of Finance	Budget 2022
Department of the Taoiseach	National Recovery and Resilience Plan

The Commission is invited to consider in its deliberations the content of these submissions as they refer to taxation and expenditure matters.

We should be obliged to have an acknowledgement in due course of safe receipt of this correspondence.

Kind regards,

Yours sincerely,

*[*Sent by email and accordingly bears no signature]*

Bryan Maher
Director



BY EMAIL:

minister@finance.gov.ie
Paschal Donohoe, TD
Minister for Finance
Department of Finance
Government Buildings
Upper Merrion Street
Dublin 2
D02 R583

August 12th, 2021

Dear Minister Donohoe,

Re: Budget 2022 Submission

On behalf of the Apartment Owners' Network, I enclose our submission in relation to Budget 2022.

We should be obliged to have an acknowledgement in due course of safe receipt of this submission.

Yours sincerely,

Bryan Maher
Director

Cc by email: Michael McGrath, TD, Minister for Public Expenditure and Reform.

Apartment Owners' Network

Representing Homeowners in Managed Estates



Budget 2022

Submission

to

Department of Finance

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1.0 Introduction

1.1 Our Proposals

In the interests of brevity, we refer to our submissions in relation to Budgets 2017 to 2021 inclusive. These are available on our website at:

- 2017
<https://apartmentownersnetwork.files.wordpress.com/2017/07/aon-budget-2018-submission-10-07-2017.pdf>
- 2018
<https://apartmentownersnetwork.files.wordpress.com/2018/08/aon-dof-pbs09082018.pdf>
- 2019
<https://apartmentownersnetwork.files.wordpress.com/2019/07/aon-dof-pre-budget-2020-090719.pdf>
- 2020
<https://apartmentownersnetwork.files.wordpress.com/2019/07/aon-dof-18072019-pre-budget-2020-suppl.pdf>
- 2021
<https://apartmentownersnetwork.files.wordpress.com/2020/08/20200805-aon-dof-budget-2021.pdf>

This year's submission builds on those of previous years.

1.2 Context

In framing this submission we remain conscious of the uncertainties presented by the current public health situation, and the demands placed on the national finances.

National policies¹ to address climate change, reduce urban sprawl, and encourage sustainable living all identify high-density residential communities and compact growth as key to progress.

The Programme for Government (“PFG”)² contains the following commitments in relation to matters that concern the Apartment Owners’ Network-

“Defects

We will

- *Examine the issue of defective housing in the first 12 months, having regard to the recommendations of the Joint Oireachtas Committee on Housing report, ‘Safe as Houses’.*
- *Bring forward law reform to improve the legal remedies for homeowners who are dealing with defects.*
- *Assist owners of latent defect properties, by identifying options for those impacted by defects, to access low-cost, long-term finance.*

Management Companies

We will conduct a review of the existing management company legislation, to ensure that it is fit for purpose and that it acts in the best interests of residents.”

As noted in our previous submissions, a number of reports emanating from the State identified grave financial challenges facing high-density residential properties, in particular owners’ management companies (“OMCs”) of apartment/multi-unit developments.

The December 2017 All-Party Oireachtas Joint Committee on Housing, Planning and Local Government report entitled “*Safe as Houses? A Report on Building Standards, Building Controls & Consumer Protection*”³ draws attention to the life safety defects in estates throughout the country. That report proposes measures to deal with legacy issues, restore confidence in the construction sector, and increase consumer protections.

The June 2019 report jointly commissioned by the Housing Agency and Clúid Housing entitled “*Owners’ Management Companies – Sustainable apartment living for Ireland*”⁴ is the latest such report. It highlights the shortcomings, mainly governance and financial, in the apartment sector.

¹ Project Ireland 2040 - National Planning Framework <http://npl.ie/>
Climate Action Plan 2019 <https://www.dccae.gov.ie/en-ie/climate-action/topics/climate-action-plan/Pages/climate-action.aspx>

² Programme for Government Our Shared Future
<https://static.rasset.ie/documents/news/2020/06/programmeforgovernment-june2020-final.pdf>

³ <https://www.oireachtas.ie/en/press-centre/press-releases/20180124-housing-committee-report-calls-for-increased-building-regulations-building-control-and-consumer-protection/>

⁴ <https://www.housingagency.ie/publications/owners-management-companies-sustainable-apartment-living-ireland>

There is clear evidence and advocacy from organs of the State about problems in a part of Ireland's housing stock that is fundamental to our country's future, in terms of sustainable growth and economic success.

The joint proposal⁵ by the Construction Defects Alliance and the Apartment Owners' Network for a Government examination of construction defects sets out a modus operandi for putting into effect the PFG commitments in this regard.

The purpose of the fiscal and other measures put forward in this submission is to help to address the problems identified. We submit that it reflects a joined-up, holistic approach to policy in the areas of housing and economic development.

⁵Proposal for a Government Examination of Defects Issue
https://constructiondefectsalliance.ie/assets/files/pdf/proposal_for_a_government_examination_of_defects_issue_--_final.pdf

2.0 Details of Submission

The proposals are set out in our submission of 7 August 2020 referring to Budget 2021, as modified by the following related submissions made in the intervening period:

- Submission of 10 February 2020 to Department of Finance – Review of HBFI
<https://apartmentownersnetwork.files.wordpress.com/2021/02/20210210-aon-dof-hbfi.pdf>
- Submission of 17 February 2021 to Department of Public Expenditure and Reform – Review to Renew Review of National Development Plan
<https://apartmentownersnetwork.files.wordpress.com/2021/02/20210217-aon-dper-review-to-renew.pdf>
- Submission of 22 February 2021 to Department of the Taoiseach – National Recovery and Resilience Plan
<https://apartmentownersnetwork.files.wordpress.com/2021/02/20210222-aon-dat-nrrp.pdf>

2.1 Amendment of section 97 TCA 1997

Particular attention is drawn to proposals, discussed at Finance Bill 2020 Committee Stage⁶, to amend section 97 Taxes Consolidation Act 1997 to encourage compliance by landlords with sections 18(10) and 22 of the Multi-Unit Developments Act 2011⁷.

It is submitted that these proposals be re-examined in the light of policy evidence available in the intervening period, for example *Review Of Multi-Unit Development Legislation – Policy Position* prepared by the Society of Chartered Surveyors Ireland⁸.

2.2 Submission Costings

As a volunteer-led organisation the Network does not have resources sufficient to undertake costings of the proposals in this submission. However, it is submitted that if the issues in the multi-unit/apartment sector are not addressed, and if the PFG commitments identified in Section 1 are not progressed, the difficulties in the sector, and associated remediation costs, will be compounded. We would be glad to engage with the Department in this regard.

⁶ Select Committee on Finance, Public Expenditure and Reform, and Taoiseach debate - Wednesday, 18 November 2020, Amendment No. 168
https://www.oireachtas.ie/en/debates/debate/select_committee_on_finance_public_expenditure_and_reform_and_taoiseach/2020-11-18/speech/83/

⁷ <http://www.irishstatutebook.ie/eli/2011/act/2/enacted/en/print.html>

⁸ Review Of Multi-Unit Development Legislation – Policy Position (21 April 2021)
<https://scsi.ie/review-of-multi-unit-development-legislation-policy-position/>

3.0 Conclusion

We thank the Department for the opportunity to make this submission.

We submit that non-tax measures proposed should be raised by the Department of Finance with the relevant/responsible Government departments, in particular with the Department of Housing, Local Government and Heritage, and with the Department of Justice.

We trust that the views expressed will be given due consideration in the Department's deliberations in framing Finance Act 2021.

We would be glad to expand on our proposals at a meeting or in another appropriate forum.



BY EMAIL: NRRPConsultation@taoiseach.gov.ie

National Recovery and Resilience Plan
Public Consultation
Department of the Taoiseach
Government Buildings
Merrion Street Upper
Dublin 2
D02 R583

22 February 2021

Dear Sir or Madam,

Re: National Recovery and Resilience Plan – Public Consultation

We are an advocacy organisation for owners' management companies ("OMCs") of multi-unit developments ("MUDs"), their volunteer directors, and members. Information about our activities is available on our website www.apartmentownersnetwork.org.

This short submission highlights opportunities for the National Recovery and Resilience Plan ("the NRRP") available in the apartment and managed estates sector. We draw attention to observations on related matters in several of our recent submissions to Government.

The pandemic has led to more people spending more time at home. The built environment, and private and public amenities, affect physical and mental well-being. Citizens appreciate more than ever before the importance of high-quality dwellings.

Reduction of carbon use in the built environment is critical to meeting national Climate Action and Sustainability goals. The managed estate sector offers collective legal and financial structures to help to deliver on the objectives of the renewable agenda- decarbonisation, reduced energy consumption, as reflected in material underpinning the NRRP.

Responses to Consultation Questions

Question 1

Taking into account the guidance provided by the European Commission, what are the areas Ireland should prioritise for 1) investments and 2) reforms for inclusion in our National Recovery and Resilience Plan?

Response

- We note that plans should seek to address flagship areas identified for reforms and investments by the European Commission, including:
 - Power Up (renewable power generation)
 - Renovate (retrofitting/deep renovation)
 - Recharge and Refuel (electric and hydrogen chargers)
 - Modernise (digitisation of public administration)

The following recent submissions by the Apartment Owners' Network draw attention to the opportunities in the apartments and managed estate sector to address the above flagship areas:

State Agency	Consultation Subject
Department of the Environment, Climate and Communications	Micro-generation Support Scheme Consultation
Department of Public Expenditure and Reform	Review to Renew Review of National Development Plan
Department of Finance	Review of Home Building Finance Ireland

Papers consider the opportunities for energy retrofitting in multi-unit developments, supporting SMEs in the construction sector. De-carbonisation, and energy generation in managed estates are explored.

Submissions also refer to past papers in relation to policies such as the Waste Action Plan for a Circular Economy, and taxation, as relevant to the managed estate sector.

- With respect to the flagship area “*Modernise (digitisation of public administration)*”, we have called for the implementation of the recommendations of the 2019 report “*Owners' Management Companies - Sustainable Apartment Living for Ireland*”¹. Recommendations include regulation of the sector to:
 - Maintain a register of OMCs and process annual returns to incorporate additional return requirements, thereby ensuring compliance within the sector by OMCs
 - Collect data through the annual returns process in respect of expenditure trends, the size of the sector and monitor variances in service charge levels and collection
 - Provide a dispute resolution process through an online tribunal system

As the report discussed, benefits would accrue in terms of higher standards of governance, provision for long-term maintenance, and assurance in relation to construction standards and fire safety.

- We draw attention to the recommendations contained in the recent report of the Review Group on the Review of the Administration of Civil Justice². Recommendations include the digitisation and streamlining through technology of many practices and process in Ireland's courts system.

¹ *Owners' Management Companies - Sustainable Apartment Living for Ireland* (2019), The Housing Agency and Clúid Housing www.housingagency.ie/publications

² Report of the Review of the Administration of Civil Justice (2020) <http://www.civiljusticereview.ie/en/cjrg/pages/publications>

Question 2

Of the Country Specific Recommendations received by Ireland in 2019 and 2020, which are considered the most relevant for reflection upon in Ireland's National Recovery and Resilience Plan?

Response

- Recommendation 2 of the 2020 Country Specific Recommendations for Ireland includes “*Increase the provision of social and affordable housing.*”. This was also a part of Recommendation 3 in 2019.

According to Census 2016 nearly 80% of apartments in Ireland are rented. Approximately 20% are social rented (housing association or local authority). Nearly 60% are rented privately, with a proportion of those tenancies underpinned by public or social rent supports. In this way it may be seen that the health of OMCs, structures binding together apartments and managed estates, is key to the success of a proportion of social/public housing stock.

We submit that investment in the sector, in the ways outlined in the response to Question 1, should be reflected in the NRRP.

- Recommendation 3 in 2020 is-
“*Continue to provide support to companies, notably small and medium-sized enterprises, especially through measures ensuring their liquidity. Front-load mature public investment projects and promote private investment to foster the economic recovery. Focus investment on the green and digital transition, in particular on clean and efficient production and use of energy, sustainable public transport, water supply and treatment, research and innovation and digital infrastructure.*”

With regard to investment projects, and private investment, the 2019 Housing Agency/Clúid Housing report states³-

“...the view could be taken that cumulative OMC turnover is in excess of €270m. Almost all of this income is re-invested in electricity charges, insurance, management fees, gardening, cleaning, waste management services, building contractors and other trades. OMC trade is an important factor to many small companies and professional service providers in the country.”

This indicates that investment in the managed estate/apartments sector, in particular the retrofitting of Ireland's older stock of apartment buildings, is highly aligned with Recommendation 3. It is also aligned with Government policy for higher density residential living, and reduction of urban sprawl.

Conclusion

We appreciate the opportunity to participate in this consultation process. Please contact us if you have any queries.

Yours faithfully,

[*sent by email and not signed]

Bryan Maher
Director

³ Owners' Management Companies - Sustainable Apartment Living for Ireland, page 26